



POLICE AND FIRE RETIREMENT SYSTEM OF SPRINGFIELD, MO

840 Boonville
Springfield, Missouri 65801
Voice Mail (417) 831-8901
Box Number 44140

Minutes July 8, 2010

1. Call to Order

Hoffman called the meeting to order at 8:30 a.m. Minutes taken by White.

Attendance

Members	Representation	Present	Absent
Ken Homan	President		X
John Bishop	Citizen	X	
David Carter	Fire	X	
Charlie Cowherd	Citizen	X	
Jim Edwards	Police	X	
James Gillette	Citizen	X	
Josh Hartman	Citizen	X	
Marilyn Hill	Citizen	X	
Ron Hoffman	Retiree	X	
Brady Stark	Police	X	
Chris Thompson	Fire	X	
James Dancy (NV)	Retiree	X	
Mary Mannix-Decker (NV)	Finance	X	
Cindy Rushefsky (NV)	City Council Liaison	X	
Dan Wichmer (NV)	Law	X	
Nikki White (NV)	Secretary	X	

NV = Non-voting

2. Approval Meeting Minutes – June 10, 2010 (open session)

White explained that she mistakenly copied the wrong set of minutes and included them in the board packet. The correct minutes were distributed, but in the essence of time approval of the minutes was tabled until the August meeting.

3. Approval of Financial Statement Ending May 31, 2010

Hoffman asked Mannix-Decker to review the financial statement ending May 31, 2010. The following items of interest were reported:

- As of May 31, 2010 the fund had net assets of \$136,986,586.
- Galliard performed below the index and was up \$218,598.
- Brandywine performed below the index and was down \$595,942.

- Pictet was about even with the index, but decreased \$2,936,976.
- State Street was equal with their index. There was a decrease of value in the lending fund of \$2.1 million. Slightly over \$1 million was transferred from the lending to the non-lending fund. The non-lending fund lost \$2.8 million in value.
- Total contributions were \$1,257,243 and net investment income was a loss of \$7,898,680.
- Total deductions were \$1,365,918 for a net decrease of \$8,006,855 for the month.
- Mannix-Decker noted that the return of contributions for those who moved from Tier II to LAGERS will be paid in August. She noted that all of the Tier II employees did elect to move to LAGERS. The next meeting will be held the third week in August to allow adequate time to receive the necessary paperwork from the employees and complete the calculations.

Hartman questioned repositioning the asset allocation and what that process involves in terms of the ordinance. Hoffman stated that it can certainly be changed and those discussions need to take place with the investment subcommittee as well as with the investment consultant. Gillette suggested asking Segal if they have suggested changes that should be considered just to get the ball rolling on those discussions.

Carter made a motion to approve the financials ending May 31, 2010; 2nd by Hartman. Vote all: Yes.

4. Approval of Return of Contributions

David Vincent	Age & Service – 23.21 yrs.	Fire	\$85,176.19
---------------	----------------------------	------	-------------

Hoffman asked for a motion to approve the return of contributions for David Vincent. Motion by Bishop; 2nd by Carter. Vote all: Yes.

5. Approval of Retirement Calculations

Age & Service

Name	Dept.	Years of Service	Monthly Pension Amount	Partial Pension Amount
David Vincent	Fire	23.21	\$3,128.99	\$2,190.30

Carter made a motion to approve the age and service pension calculation for David Vincent; 2nd by Bishop. Vote all: Yes.

6. Legal Matters – Closed Session, pursuant to Section 610.021(1), RSMo.

Carter made a motion to move to closed session at 8:45 a.m. pursuant to Section 610.021(1), RSMo.; 2nd by Bishop. Vote all: Yes.

Resumed open session at 10:15 a.m.

7. Old Business

- A. Fiduciary Insurance – Mannix-Decker provided three articles concerning fiduciary insurance. She said that she and the secretary each have a fidelity bond that protects against dishonesty and theft.

Fiduciary liability insurance is a little bit different. Basically the insurance covers any improper advice, inappropriate selection of perhaps the investment consultant or money managers, imprudent investments, lack of investment diversity or negligence in any sort of administration of the plan. She thinks this type of insurance is becoming more popular, but noted that this is not her area of expertise. She sent the information to Sheppard and he may be able to advise the board on the options.

Hoffman said that he agrees that the board probably needs the insurance, but he's not sure what level. Cowherd questioned the cost. Mannix-Decker said it would have to be sent out for bid. Cowherd recommended getting a range before proceeding so that the board could evaluate whether to even bid it out. Gillette asked if an answer had been received concerning the may vs. shall indemnification of the board. Rushefsky said no. She said it was put on hold pending resolution of the funding issues, but she will revisit the issue with Wichmer.

- B. Investment Consultant – Mannix-Decker reported that the RFP was distributed at the end of June. Nine bids have been picked up. On July 12th, those who plan to bid have the opportunity to submit written questions. Once all the questions come in, they will be answered as a group. The questions and answers will be distributed on July 19th. Final bids are due July 28th. At that point the subcommittee will meet to review the bids and provide recommendations as to which companies should interview with the full board.
- C. SPOA – The SPOA requested confirmation that the actuarial work provided to the Citizen's Task Force was paid by the City and not the pension fund. Specifically, SPOA was questioning Milliman's travel expenses and an actuarial study. Mannix-Decker said that those items were indeed paid by the City. She also reviewed all of the Milliman expenses and discovered that a \$5,000 study was mistakenly paid by the fund when it should have been paid by the City. This was not the study that was in question by SPOA, but the entry has been corrected and will be paid for by the City. Mannix-Decker has been in contact with SPOA and they are satisfied with the response.
- D. MAPERS – The City's travel policy, reimbursement form and MAPERS schedule were distributed to those who plan to attend. Rushefsky asked for clarification on the training requirements of each board member. Mannix-Decker stated that two education sessions per year are required. It doesn't specify the length requirement of each session. All of the requirements can be met by attending MAPERS. Segal's and Milliman's sessions held in the spring also qualify.
- E. Invoices

Company	Statement	Amount	Date
Health Systems International	#111633	\$119.00	6/1/2010
	#111634	\$147.00	6/1/2010
	#111635	\$70.00	6/1/2010
	#111636	\$112.00	6/1/2010
	#111637	\$119.00	6/1/2010

Carter made a motion to approve the invoices presented above; 2nd by Cowherd. Vote all: Yes.

- F. Disability Reexaminations – Gillette said on behalf of the board he would like to make a motion, in our vigor as a group to handle the fiscal responsibility of the Pension Board some statements

were made at last month's meeting that perhaps overly questioned the professionalism of Dr. Corsolini and he moves that the board issue an apology to him for those mischaracterizations and it was certainly unintentional. Second was made by Carter. Hoffman asked for any discussion. Cowherd said he was troubled a little bit by the language of the motion. He doesn't think there were misrepresentations. He thinks the statements that were made could have been interpreted by some as being critical of Dr. Corsolini's professional conduct and that was not the intent. He would ask that the motion be amended to the following:

The board would like to offer Dr. Corsolini an apology to the extent that any comments made at the last meeting were construed to be any disparagement against his professional conduct. His assistance to the board is appreciated. The board recognizes the skill and talent he brings to the board. To the extent that any of our comments would be construed as being critical to his professional conduct, we apologize. Gillette agreed to the amended motion; 2nd by Carter. Vote all: Yes.

8. Legal Matters – Closed Session, pursuant to Section 610.021(1), RSMo.

Bishop made a motion to move to closed session at 10:45 a.m. pursuant to Section 610.021(1), RSMo.; 2nd by Hoffman. Vote all: Yes.

Resumed open session at 11:15 a.m.

9. Old Business Continued

G. Disability Nurse Consultant – Hoffman reported that the board does not currently have a nurse consultant. He asked if the board wanted to go back to HSI to furnish someone else or do something different. Bishop recommended getting someone from the same company. Hill said they may not have someone else in the Springfield area, but everyone agreed that HSI needed to be asked first. If they don't have someone then an RFP will need to be issued.

10. Adjournment

Cowherd made a motion to adjourn the meeting; 2nd by: Bishop. Vote all: Yes. The meeting was adjourned at 11:20 a.m. on July 8, 2010.